



## February 2003 Edition

### Competitive Sourcing at the FAA

Office of Management and Budget (OMB) Circular A-76, "Performance of Commercial Activities," establishes Federal policy for the competition of commercial activities. According to the Circular, the Federal government should rely on the private sector for needed commercial services. All commercial activities performed by the government should be subject to the forces of competition so the American people receive the best value. The circular provides guidance for conducting competitions between the government and the private sector.

The President's Management Agenda (PMA) established by President Bush in 2002 provides a strategy for improving management and performance of the Federal government.

Competitive Sourcing, based on A-76 policy, is one of five government-wide initiatives described in the PMA. Federal agencies are required to perform Competitive Sourcing studies in accordance with the Office of Management and Budget (OMB) Circular A-76. However, the circular does not promote outsourcing or privatization, it is simply a tool to determine the most effective way to provide services.

The competitive sourcing requirement in the PMA is based on the Federal Activities Inventory Reform (FAIR) Act inventory that all federal agencies are required to submit annually. The FAIR Act inventory includes a list of the activities performed by the agency and the number of full-time equivalent employees needed to perform each activity. Each activity is then classified as either an inherently governmental function or a commercial activity. FAA examined its various commercial activities

in its inventory and identified the Flight Service Station (FSS) function as a candidate for a competitive sourcing study.

A feasibility study was conducted that concluded that most FSS activities are commercial, and it is feasible to perform a competitive sourcing study on the FSS function. Presently this is the only Competitive Sourcing study under way in the FAA.

### FAA A-76 Program Staff

The A-76 Program Staff was formally established on December 1, 2002. The primary role of the new organization is to manage the A-76 Program in FAA. It will be responsible for ensuring that the FAA properly follows the OMB Circular A-76 guidelines, preparing the annual FAIR Act inventory and conducting or overseeing all competitive sourcing studies, including the FSS study.

***"The FAA is committed to keeping all employees informed throughout the course of study."***

The FAA is committed to keeping all employees informed throughout the course of study. The Communications Team, assembled by the Program Staff, will coordinate the delivery of regular updates on the FSS Competitive Sourcing study, as

well as on other competitive sourcing related news. The Program Staff would like to take this time to thank you in advance for all the help and cooperation that will be needed to conduct the study effectively.

### Communications Team Begins Reporting

A key component of any Competitive Sourcing study is keeping the affected workforce informed with timely, accurate information on the process and status of the study. To accomplish this important task, a team of subject matter experts on the functions of the flight service station option being studied and the process required by the Office of Management and Budget



(OMB) Circular A-76 was formed. The team includes the National Association of Air Traffic Specialists (NAATS) primary liaison to the AFSS A-76 Study, a former AFSS manager, a contractor expert in A-76 studies, and representatives from FAA Headquarters labor relations, personnel, and budget functions.

A Communications Plan, published on the new A-76 web page facilitated by the team, outlines the initial approaches anticipated. As the AFSS study proceeds, the plan will be updated to add new communication tools and approaches. Expect to see these monthly distributions on the 1<sup>st</sup> of each month or the first business day following the 1<sup>st</sup>. When “breaking news” surface in the AFSS study, a special edition of the update will be published as appropriate.

## Web Page Launched

The Communications Team has launched an A-76 web site as its primary way to keep FAA employees and others informed about the current A-76 study and future studies at the FAA. It will be the primary location for release of official information.

The web site has a variety of information on the A-76 process overall, as well as, specific current information on the AFSS study. It has documents like the Feasibility Study, Communications Plan, publications, Frequently Asked Questions (FAQs), and this *Update*. Links to this study and other sources of information are provided for browser's convenience.

The web site is a dynamic location with new additions to the page at least monthly. The Communications Team is working to refine the page for ease of use and values your feedback. Please visit the website at <http://www.faa.gov/aba/html/budget/index.html> then click on “competitive sourcing” within the navigation panel.

## A Pause in the Study

Was it my imagination or did things slow down in the AFSS study? It wasn't your imagination! A draft revision to OMB Circular A-76 was released in November that had all agencies studying the impact of potential changes to their ongoing studies. At FAA we had an additional consideration. How does the A-76 fit with the Acquisition Management System (AMS)? OMB issued the “draft” circular for comment in the fall and announced its plan to finalize it in the near future. We knew that the AFSS study in FAA would fall into the guidelines of the new Circular and that certain steps in the pre-planning phase had not yet been completed. So, those activities have been a priority over the past several months.

The Federal Acquisition Regulation (FAR) is the normal procurement process used by government for acquiring equipment and services. The revised OMB Circular directly references the FAR. FAA is exempted from the provisions of the FAR and has established its own acquisition policy, the Acquisition Management System (AMS). A-76 adds another dimension to acquisitions as the government's current workforce

competes with the commercial sector to provide a service more cost-effectively and efficiently. The Performance Work Statement (PWS) and other A-76 documents are similar to AMS statements of work or requirement documents but not exactly the same. The blending of these acquisition methods has also been occurring during this period.

The pause is almost over as we prepare to start the clock on the AFSS study under the revised OMB Circular A-76. This *Update* will keep you advised of the status of the AFSS study each month or sooner when necessary.

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## Questions and Suggestions

**Questions, comments, or suggestions for future content may be directed to the Communications Team Lead, Jack Nimmo at [Jack.Nimmo@faa.gov](mailto:Jack.Nimmo@faa.gov).**

